



Asia-Pacific  
Economic Cooperation

# APEC Economic Policy Report 2021: What is the Future of Work?

Advancing Free Trade  
for Asia-Pacific Prosperity

## How Change Affects Work

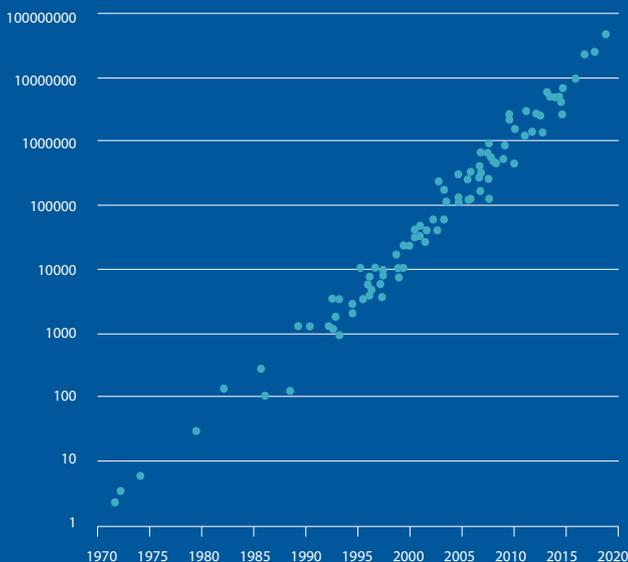
The way we work will continue to be affected by four megadrivers of change: technology, climate change, globalization, demographics.

## Technological change

Technology has created new jobs and increased productivity, enabled greater flexibility, and created learning opportunities.

But the digital divide and unequal access to technologies and skills has led to growing inequality and economic insecurity.

Transistors ('000) per Integrated Circuit



This chart illustrates Moore's law, or the exponential growth in transistors per integrated circuit over time, allowing handheld phones now to be more powerful than room-sized mainframes at a fraction of the cost. New developments in computing will have profound impacts on the economy and society.

## Climate change

The increase of extreme weather events impacts jobs by damaging business assets, disrupting infrastructure, and displacing workers. Transformation to a greener, circular economy to combat climate change can contribute to the creation of 24 million new jobs globally by 2030.



Temperature increases of

# 1.5°C

A loss of

## 2.2%

Total hours worked

## 80

Million jobs

## 2.4

USD Trillion \$

worldwide by **2030**

## Globalization

Globalization has been a driving force for growth in the Asia-Pacific, leading to economic growth and more and better job opportunities.

However, the distribution of the benefits from globalization is not equal, and some sectors and workers can be hurt in the process.

## Demographic Change

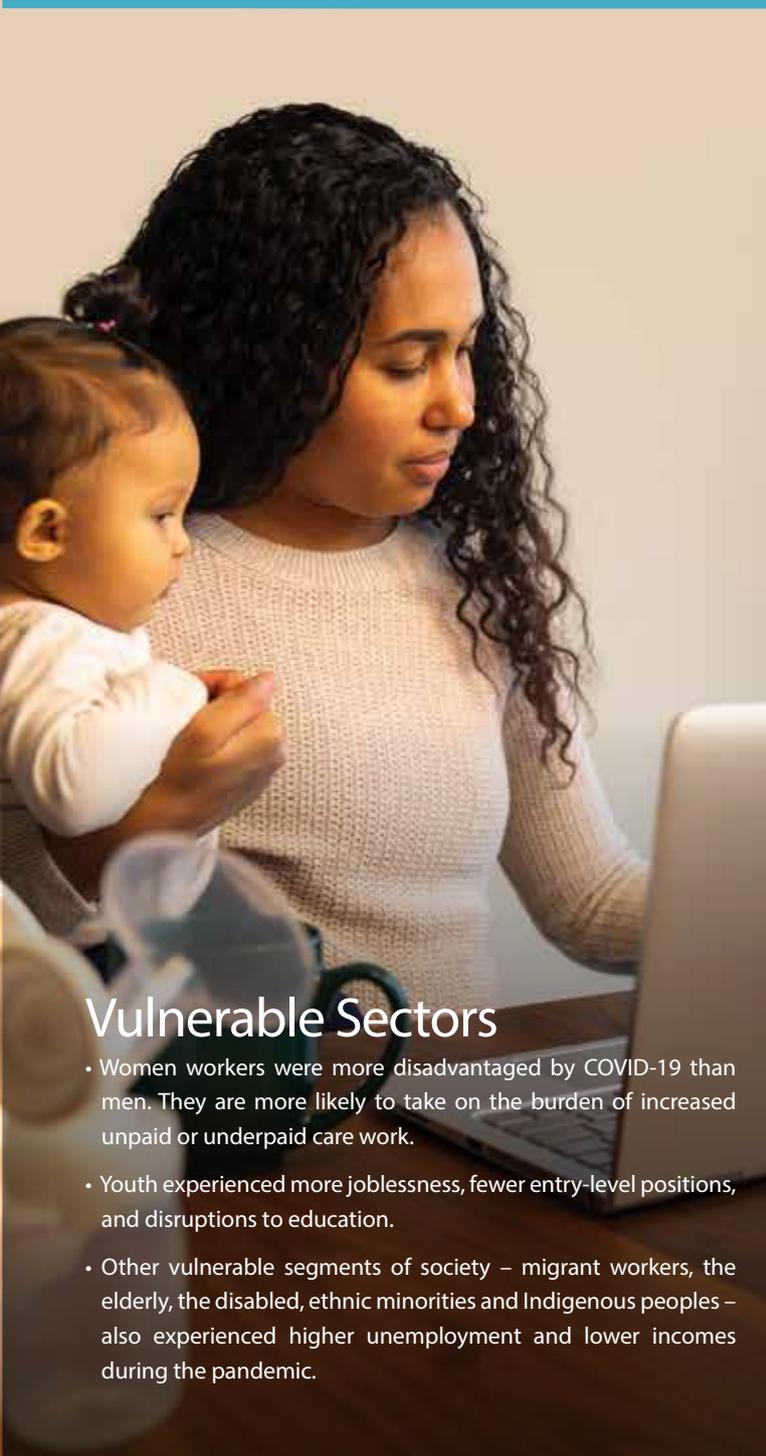
Average life expectancy has risen across APEC while birth rates have fallen. An ageing population may financially burden healthcare and pension systems, but the elderly could be key contributors to the economy. They have significant spending power and lifelong experience.

The economic participation of elders is hindered by the lack of technological training, skills mismatches, lack of conducive working arrangements and workplace discrimination.

## COVID-19's Impact

The pandemic magnified existing vulnerabilities and accelerated future of work trends.

- Employment in medium-skilled occupations dropped the most as it includes jobs that were severely impacted by restrictions such as sales and service workers and plant operators.
- Workers in the informal economy are particularly vulnerable because they lack job security, have irregular incomes, and poor access to healthcare.
- High-skilled workers were the least affected as they were able to work from home and were more likely to have healthcare benefits and social protection.



## Vulnerable Sectors

- Women workers were more disadvantaged by COVID-19 than men. They are more likely to take on the burden of increased unpaid or underpaid care work.
- Youth experienced more joblessness, fewer entry-level positions, and disruptions to education.
- Other vulnerable segments of society – migrant workers, the elderly, the disabled, ethnic minorities and Indigenous peoples – also experienced higher unemployment and lower incomes during the pandemic.

## The Future of Work is not about technology, but about people

### What Can Policymakers Do?



#### Ensure economic security

Develop effective social protection systems and expand them to cover all workers.



#### Develop skills and improve productivity

Develop skills and improve productivity. Human workers need access to lifelong learning.



#### Update labor laws and institutions

Those made in the previous century are unable to recognize new terms and relationships of work in this century.



#### Cooperate across borders

Labor laws as well as social protection systems still assume workers and employers operate behind the same borders.



#### Operationalize APEC initiatives on future of work

APEC is in a unique position to operationalize its initiatives addressing future of work challenges. It needs to be the forum where innovations are developed, policies are discussed, and consensus for implementation is achieved.